1: Indiana U. E-4 1955 EC1 Hungary EC1

Annex "A," Subparagraph 2f, Political Background

SUBVERSIVE POTENTIALITIES

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In Hungary, which is still predominantly an agricultural country, public support of the government rests mainly with the rural masses. History has shown that revolutions and subversive activities have succeeded only with the support of the peasants.

The "peasant muting" of Dózsa in 1514 was the first insurrection in the history of the Hungarian state. The background of this movement was largely economic--the insurrection of have-nots against their exploiters--without much political consideration. The struggle against the ruling Hapsburgs, which began in the seventeenth century, won the support of large numbers of people from the villages. In 1671, a conspiracy of aristocrats lead by the nádor, Ferenc Wesselényi, lacked popular support and the Court of Vienna was able to put it down with no difficulty. In 1795, another conspiracy was initiated by intellectuals under the spell of the French Revolution. Unable to muster popular support, they failed also. In 1848, one of the most heroic episodes of Hungarian history took place. The "War for Freedom" was, at first sight, a war of independence against the Hapsburgs, but the social reforms including the franchise for the serfs, written on the

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banner of this revolution enlisted the unanimous support of the toiling masses, and it took a Holy Alliance to smash this uprising. The bloodshed, poverty, and chaos resulting from the First World War were responsible for the short-lived Communist revolution in Hungary in 1919. The counter-revolution which followed had little difficulty stopping the Red revolution, for despite the Communists' liberal promises, the peasant masses did not support them.

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After World War II, the development of political life in Hungary was entirely dependent upon the occupying Red Army and its agents, the Communist Party of Hungary. The present opposition of the Magyars to this type of totalitarian state can be more than readily detected from the defensive actions of the government itself. At the head of the discontents, we now find the peasants again, for while the leadership of the historic revolutionary movements were recruited among the nobility, the core was made up of peasants fighting for the abolition of serfdom and, later, for economic independence. The recently developed stratum of intellectuals, commonly called the middle class in Hungary, played little or no role in these movements.

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The former upper class and lesser gentry have been completely dispersed by the Communists, part of their members taking cover in the

668 denounced the Karolyi Government to the foreign Allied missions
423 in Budapest as Bolshevik. In this way they achieved two results. Result number one was that the Allied missions turned against the man who was loyal to the idea of peace all through the war, who was against Germany all through the war. The Allied missions and Governments allowed the Rumanian, Czech and Serb forces —even after the armistice was signed—considerably to extend their occupation of purely Hungarian territories. Result number two was that in default of Allied aid the Károlyi Government was defeated by the Communists. The great lords, all the aristocrats, were very happy the day Communism was proclaimed in Hungary. They feared that the Allies might discover that Károlyi's Government was democratic, that they would help Károlyi, and that democracy would then be established in Hungary. If there were real, out-and-out Communists ruling Hungary—so the lords hoped—it would be easier to get help from the Allies against the Communists, who would be beaten. Then they could return and get back their land. The calculations of these lords, led by Count Stephen Bethlen, were right.

CHAPTER X

728 In 1919 the Károlyi Government went to pieces because of
648 the blind stubbornness of the French commander at Belgrade,
669 Franchet D'Esperay, who snubbed and humiliated the Hungarian Government—which had, after all, overthrown the war-time administration and was democratic and anti-German. At last the Károlyi Government's position became impossible. Some of the great lords, who had influence over Franchet D'Esperay, saw with pleasure that the people's Hungary—the Hungary of Károlyi and of the Communists—was left by this extreme reactionary French general to the mercies of her neighbours. They knew that the people's Hungary would in this way be defeated. The "Red" scare of the Allies was exploited by all our enemies.

On March 20th 1919, a French lieut.-colonel, a certain Vyx, handed the Károlyi Government a new order of the Allies demanding that Hungary should accept a fresh line of demarcation. Some month previously Hungary had already signed an armistice with the Allies in Belgrade. This was severe enough, cutting deeply into territories inhabited by Hungarians. Now the Allies—determined to make "Red" Hungary as small as possible—presented a new demand in the form of a fresh line of demarcation

2:Paloczy-Horvath H-3 (no date)1944 EC1 Hungary EC1

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which would have given our neighbours a further two million Hungarians. The Károlyi Government wanted to hold a plebiscite. They wanted to ask us "What do we want? To give in to this outrage or fight on?" The Allies did not give Károlyi time for this. They demanded an answer by next day.

Károlyi did not want to take the responsibility, and he resigned. We think he was right. You see, in our eyes he represented the Western democracies and the principles of Wilson. We knew that during the four years of war he was on the side of the British, the French and the Americans. We knew that he was always anti-German and for a separate peace. Well, we thought, if the Allies treat this man like dirt, then there is nothing to hope for from the Western democracies; our only hope is Soviet Russia.

Already the Communists were very active. A great part of the Socialist Party went over to them. The country needed a united army. The Communists were able to organise it. Károlyi trusted the West. He failed. We did not blame him, but it was only right that he should take the consequences of his pro-Western policy. *We wanted now to try the ways of the East.*

The Hungarian Soviet Republic was born on March 21st 1919, thanks to the Vyx ultimatum. The president of the Hungarian Soviet Council said on that day:

"The Entente-Imperialism used democracy and the self-determination of peoples as its flag, but now, when all these principles could be realised, other ways are chosen. . . . The whole world must see that in these new territories all the food supplies will be in the power of the Entente and hundreds of thousands more refugees will flood Hungary. . . . We were convinced that the Entente wanted to conclude a just peace. But the Vyx ultimatum makes our conviction ridiculous. . . . We cannot expect anything from the West but a dictated peace. The new policy means that we want to get what we want from the East instead of the West: justice. . . . If we are to sum up impartially, we must say that everything which is happening now is doing so because the Entente forced this development."

Two days later, when Béla Kún, president of the Hungarian Soviets, broadcast a declaration to the proletariat of the world, he said:

"The ultimatum of the Entente aimed at handing over Hungary at once to the Rumanian oligarchy. The Hungarian people answered this ultimatum by the creation of the dictatorship of the proletariat."

The Hungarian red armies fought against heavy odds. Franchet D'Esperay, the French General who had collaborated with the

728 counter-revolutionary government in Szeged, did everything h
669 could to starve out Hungary. Food trains were stopped. Th
648 Czechs fought the red army in the north. They came quite nea to Budapest and then were driven back.

Meanwhile the French right wing helped to crush democrac after the real danger, Prussian and Habsburg Imperialism, wa beaten.

When Bolshevism broke out in Hungary, Benes of the Czechs in his articles in the *Matin* and *Times*, and in his representation to the Supreme Council, supplemented the argument previousl put forward by the plea that "the interest of Europe demande that the northern part of Hungary should be given to the Czechs"

The Communist Government had to organise a red arm speedily to defend Hungarian territories. Once again the worl was able to watch the not very unique spectacle of "nationalist lords, white officers, helping the enemy (Rumanian) armie which were attacking their own country. The Hungarian re army fought the Czechs and the Rumanians. *White officers ser by the counter-revolutionary government directed the Rumanian gun against Hungarians defending their territory.*

669 The Communist Government of Béla Kun had no time to carr
423 through the land reform either. They declared all land exceedin a hundred acres State property without compensation. The sma and medium holdings with farm or house were to remain un touched. The expropriated land the Communists wanted to tur into co-operatives, into *kolkhozes*. In most cases the expropriate landlords were asked for the time being to administer their ow properties. Thus they had the nice job of guarding them fo themselves.

669 In the summer of 1919 the Rumanians resumed their advanc
648 and occupied Budapest. G. D. H. Cole writes:

> "In November the Rumanians withdrew from Budapes after doing a great deal of damage, and took with them in thei withdrawal as much of the movable property and instrument of production of the Hungarians as they were able to lay hand upon. . . ."

It was curious to watch how our lords behaved towards th Rumanians. When the Károlyi Government wanted to establis peaceful relations with all Hungary's neighbours, they starte wild anti-Rumanian propaganda to make Károlyi's work mor difficult. When it turned out that Károlyi really meant t distribute the land, and during the Communist regime, the suddenly discovered the solidarity of interest between Rumani

:Paloczy-Horvath H-3 (no date)1944 EC1 Hungary EC1

and Hungary. *At this time the Hungarian red army was defending Hungary against the Rumanians.* Our lords informed the Allied commanders that they thought it was in the interests of the country for Rumania to occupy Hungary. 669 648

The minute the Rumanians occupied Budapest all the counts, bankers and landowners returned to the capital and started to prepare the way for the counter-revolution. The white army of Admiral Horthy was waiting impatiently in the South Hungarian city of Szeged.

The diplomatic representative and commissioner of the Entente was a certain Sir George Clerk. Sir George at first negotiated with democratic politicians too, but later got to know our polite, charming and well-mannered counts. Eventually, a coalition government was formed which was sure to sign the peace treaty and give way to an out-and-out reactionary régime. After this, it was arranged that the Rumanian armies should leave Hungary.

Then the white troops of the counter-revolution entered the country of our lords, or what was left of it. The feudal lords came back with all their gendarmes and police spies. 669 648

We have told you pretty bad things about ourselves. You must not take it to heart if we tell you that *the Western Democracies thus helped back to power that very same reactionary and anti-democratic régime against which they said they were fighting.* 728

Your slogan was to make the world safe for democracy. As far as we are concerned YOU MADE HUNGARY SAFE FOR FEUDALISM.

You know, we do not generally use big and learned words about ourselves. If anything, we are realists. We either have the land or we have not. We are either beaten by the gendarmes or not. Our children either die of tuberculosis and starvation or not. You must not blame us, please, if we doubted for some time the sincerity of the great Western democracies. But facts—facts felt bitterly and directly by us—yes, these facts seemed to show that you were on the side of counter-revolution and feudalism.

Then President Wilson and others said that you were fighting for the self-determination of nations. What did we see? By the peace treaty of Trianon you put four million of us—without any plebiscite—in foreign territories. (Some people do not agree as to the numbers. But we have never heard from any authoritative British, American or French source a lower figure than 3,300,000 Hungarians placed under Rumanian, Czech and Serb rule.)

You said that you disliked composite states such as the Habsburg

Empire. Austria was cut to pieces because "a single state tyrannising over a number of nations could not be tolerated in Europe". But facts seemed to show that you created three Austrias in the place of one; a Czechoslovakia of Czechs, Slovaks, Poles, Magyars, Germans and Ruthenians; a Rumania of Rumanians, Magyars, Germans, Serbs, Bulgarians, Turks, Tartars and Gipsies; a Yugoslavia of Serbs, Magyars, Bosnians, Croats, Slovenes, Turks, Montenegrins, Vends, Rumanians, Albanians, Italians and Macedonian Greeks.

Well, the counter-revolutionaries of Szeged, all the big feudal lords and the white army, with beautiful white feathers in their caps, came to small, dismembered Hungary. The white terror began. Whereas during the revolutionary period, after the four years of slaughtering, less than a thousand people were killed, during the law-and-order period of the counter-revolution several thousands of us were tortured to death, Jewish men and women were tortured and killed, everyone who had a part in the revolutions was imprisoned or shot—mostly the latter—and those Socialist leaders who could not be accused of anything were just assassinated.

We know that the British *people* were revolted by the white terror of the country of our lords. In protest against the massacre of our leaders, the Labour and Socialist International attempted in June 1920 to organise an international boycott of Hungary. They did not succeed.

Too many people, all over the world, detest the word "revolution". *We dislike the counter-revolutionaries.* In our history the revolutionaries like Dózsa and his people defended Hungary, and the counter-revolutionaries who tortured him to death sold the country to the Turks. The *Kuruc* of Rákóczi were the revolutionaries, and the big lords who betrayed the country to the Habsburgs were the counter-revolutionaries.

Petőfi and Kossuth were fighting for Hungarian independence. They were revolutionaries. The Habsburg-collaborationist lords were the counter-revolutionaries.

Jesus was a revolutionary. Caiaphas and Pilate were the counter-revolutionaries.

Those who are on the side of the Hungarian people, who want to fight for our health and happiness, cannot have anything to do with the present régime, which has as "moral capital" the counter-revolution of Szeged and the white terror. These gentlemen who protest so much about their nationalism are suitable partners of Hitler and Mussolini, those two counter-revolutionary

7: Jaszi S-4,5 (no date) 1946 EC1 Hungary EC1

however, and to show the very great divergencies between the political and ideological situations of the countries in question. I must restrict myself mainly to Hungarian developments.

II

In order to understand the course of events in Hungary since the Russian conquest, we must recall in headline style certain important antecedents in the country's historical evolution.

Hungary never was in the orbit of the Greek Orthodox Church. Its religious horizon was strictly Roman Catholic, though later with a very decisive admixture of Protestantism, which fought for religious liberty and against the Hapsburgs. At the same time, the cultural and the ideological influence of Hungarian Jewry became an important factor. Hungarian constitutionalism, much as it was vaunted, was a typical feudal growth; it gave neither the masses nor the middle classes much of anything to say. Yet though the analogies often drawn between English and Hungarian parliamentarianism were part of a fallacious propaganda, it cannot be denied that the technical formalities of constitutionalism and the constitutional struggles within the ruling classes, especially between the feudal aristocracy and the middle class gentry, made a strong impression on the growing bourgeoisie and on a part of the peasantry which was anti-Hapsburg and believed ardently in the teachings of Louis Kossuth.

One must also emphasize that the best representatives of Hungarian thought and literature were penetrated by western liberal ideas, and that some of them became important exponents of western democratic values. The revolution of 1848, which became a legend before it had become a reality, consciously followed the great French models; and even earlier, at the end of the eighteenth century, the conspiracy of the Abbot Martinovics was impregnated by Jacobin traditions. And the last flowering of the liberal Hungarian spirit, the October revolution under the leadership of Károlyi, which occurred immediately after the collapse of the Hapsburg monarchy, produced the most comprehensive and enlightened program in the history of Hungarian democracy, including the dismemberment of the feudal estates, universal suffrage, and the solution of the nationality problem in the framework of a federal structure. The problems of this democracy were genuinely similar to the efforts of the most advanced groups of the west. For example, the Sociological

7: Iassi S-4, 5 (no date) 1946 EC1 Hungary EC1

177 Society, often called the Hungarian Fabians, under the leader-
669 ship of a first-class philosopher, Julius Pikler, worked hard on the problem of reconciliation between Socialism and freedom. This orientation toward the west was so outspoken that often the better elements of the old feudal society became real Anglomaniacs, introducing, even though superficially, the English concept of the gentleman. This approach was cordially reciprocated by many representatives of the English aristocracy.

181 Finally must be noted the special character of the Hungarian
669 people: a sober, hard-working, extremely intelligent ethnic group, remarkably free from the mysticism and the extreme racial fanaticism of the Slavs and the Rumanians.

669 More recent historical events added to the cleavage between Hungary and the Balkan countries. Feudalism, helped by representatives of the western democracies, was soon successful in undermining the democratic republic set up under Károlyi. The ensuing Communistic revolution followed a pure Russian world-revolutionary model, with chaotic experiments in socialization, dreams of the *sovkhozes*, and occasional hysterical outbursts of terrorism. It was short-lived, but it made a deep impression on Hungary's conservative soul. And in spite of the fact that very soon a much bloodier and more inhuman White Terror supplanted the Red (under the secret leadership of Admiral Horthy), the great majority of the people became immune to the Bolshevik virus. Thereafter nobody ever wished to renew the orthodox patterns of Russian Communism. The messianic dream of Bolshevism had lost its strength; and it has not revived.

Indeed, not only has it lost its hold on the minds of the masses, but it has faded even in the minds of the Communist leaders. The many Hungarian Communist exiles in Moscow witnessed quite a strange ideology in operation in the promised land. The Soviet schools no longer trained them in the Leninist religion of hundred percent Communism and immediate world revolution, but in a ruthless *Realpolitik* imbued with the spirit of Stalin. They came to look on the many mistakes of Béla Kun's revolutionary fantasy in a cool, detached and critical temper; and returning to the old country at the close of this war, and to its splendid, gay capital, now completely in ruins and in the grip of acute famine, they saw clearly that the old heroic methods of unmitigated Communism should not be applied again. Only recently the best mind among

7: Jazzi S-4, 5 (no date) 1946 EC1 Hungary EC1

the Hungarian Communist writers, Joseph Révai, emphasized in the official Communist paper the absolute necessity of close coöperation with the peasants and the creative intelligentsia on a strictly non-Communistic basis.

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III

Now we are in a position to understand better what happened in Hungary in the critical months after the liberation.

The revolution which followed can be described as one which needed an incubator. It had one — the Russian Army and Russian diplomacy. And the revolution which the Russian incubator helped nurture was a sober, carefully planned revolution with a rigid bureaucratic tinge. In Hungary's state of exhaustion and complete disorganization, revolution had to come that way, or else take the form of a hopeless, chaotic uprising. The radical transformation which is now going on in Hungary could not have been achieved by the purely parliamentarian methods of the western democracies, the less so because the whole diplomacy of the west is impregnated with a counter-revolutionary spirit, the spirit which in Hungary destroyed the strictly constitutional experiment of Károlyi. This is why even great masses who do not sympathize with the Soviets regard the present methods of transformation as necessary and why the best minds of the new Hungary support the incubator revolution.

The main features of the transformation were these:

(1) Two simon-pure Horthy generals were asked to assume military responsibility. They had to choose between becoming *locum tenentes* of the Red Army in the highest positions, or being designated as war criminals.

(2) The Communist leaders in close contact with the Red Army of Occupation made an appeal for a "Popular Front" with the Small Landholders Party — the principal organized political force in the country — and the lower bourgeoisie of the towns. A new element in this coalition was the National Peasant Party which originated in a group sometimes called the "Hungarian Narodniki." This group was limited in numbers but represented considerable moral and intellectual energies; its members called themselves village-researchers, who "went among the people" and studied their sufferings and problems.[8]

(3) The old demagogy of the first Bolshevik revolution was

[8] *Cf.* Oscar Jászi, "Feudal Agrarianism in Hungary," *op. cit.*

7: Jassi S-4, 5 (no date) 1946 EC1 Hungary EC1

• 669 completely absent: Communism had become respectable and gentlemanly. Even the criticism of certain governmental measures by the Roman Catholic hierarchy was listened to with respect, and when Archbishop Mindszenthy attacked the expropriation of the estates as a "product of hatred," the rejoinder was moderate and tactful. Though the large ecclesiastical estates were dismembered like the others, liberal grants-in-aid were provided for the maintenance of the lower clergy, the churches and parochial buildings. Generally speaking, there is not much talk about Communism in Hungary today; the leitmotiv is democracy with intensely patriotic overtones.

(4) The chaotic "people's tribunals," which gave vent to an outburst of popular passion, were soon legalized and according to competent observers their judgments are rather moderate. Only about 100 death sentences seem to have been pronounced and execution in several cases was suspended. After the blood-bath organized by the Nazis and their satellites, which cost the lives of hundreds of thousands, this popular vengeance was surely not excessive.

(5) There is no capitalistic party or organization. Hungarian capitalism was a kind of a "domestic Jew" of Hungarian feudalism,[1] never an independent political force. None of the parties of the coalition exhibits the smallest desire to conserve capitalistic monopolies or to create new ones.

(6) The Communists display the utmost opportunism in handling political patronage, using anyone who can be regarded as a reliable instrument for their purposes. Even men with reactionary records are accepted in public service if their coöperation seems to serve a useful end; for example, a routine Horthy diplomat was sent to Washington, and the able counter-revolutionary historian, Julius Szekfü, who served the Hapsburgs and the Horthy-Bethlen régimes with equal ardor, was sent to Moscow as ambassador. A great many less notable old-timers are in influential positions.

A number of university professors hastened to become members of the Communist Party. It should be noted, however, that this attitude is not necessarily a servile one. The younger, independent scholars are generally convinced that the old scholarship of the country has become utterly obsolete. The

[1] It was said in the old days that every Count had his domestic Jew, who managed his economic affairs and not seldom his political affairs also.

7: Jassi S-4, 5 (no date) 1946 EC1 Hungary EC1

foremost scholarly institution, the Hungarian Scientific Academy, a creation of the great Count Széchenyi, served as a bulwark of reaction and an instrument of anti-democratic tendencies. Albert Szent-Györgyi, a Nobel prize winner, expressed a common opinion in his letter renouncing his seat in the Academy: "The Academy is in a large measure responsible for our national catastrophe . . . it has become the nest of serviliam and half-science . . . it obstructs the road toward the rebuilding of the country."

(7) Another significant attitude of the new system is its artificial silence concerning the October revolution of 1918. Of course, it was impossible not to give an honorary seat to Károlyi in the National Assembly, but he has not yet reached home and his name is seldom mentioned. Though there is an acknowledged lack of men of higher intellectual capacities, Vambéry and several other leaders of the October revolution still stay away. Some written complaints appear to the effect that many reactionaries and even doubtful characters have been admitted into influential places, whereas leading Octobrists are under suspicion. The greatest figure of modern Hungary, and her foremost lyrical genius of the past 50 years, Andrew Ady, who did more than any other person to propagate the ideas of a democratic revolutionary Hungary, is very seldom mentioned during festivals or commemorations. The explanation is not obscure. The present rulers are not trying to carry out their much-heralded Communist program, but are putting into effect the essential points of the program of the October revolution; but they do not like to have the fact made too evident. A hero of the Hungarian underground and one of the most brilliant political writers of the past quarter of a century, Béla Zsolt, wrote recently: "Why do we not hear 'Andrew Ady' on the streets from every megaphone? Is it perhaps that we are afraid of the mirror of the past; the men of today of the standard of yesterday; the living of the rivalry of the dead? Our irate passions were right to destroy the statues of the past, but who will dare stand on the empty pedestals?"

This silent tension between the October revolution and the present revolution found symbolic expression in the proclamation of the Third Republic under the presidency of Zoltan Tildy, the leader of the Small Landholders Party. Many Hungarians both at home and in the United States felt that the new régime should have been under the honorary leadership of Michael Károlyi,

7: Jazzi S-4, 5 (no date) 1946 EC1 Hungary EC1

who had worked and suffered more than any other person for the liquidation of the latifundia system and the democratization of Hungary. He began the dismemberment of the large estates by dividing his own domain, left the country as a pauper, was hounded by the counter-revolution and declared a traitor, and lived abroad in poverty, but without complaint and without for a minute abandoning his principles. No wonder public imagination saw in him a successor of two other great exiles, Rákóczi and Kossuth. Simple people, though not questioning the merits and qualities of President Tildy, did question such ingratitude toward a great moral leader. However, all is clear in terms of *Realpolitik*. Károlyi's firmness of principle makes him a dangerous person. Moreover, he is hated by many influential conservatives in the west as a traitor to his class. The present government has difficulties enough: why increase them out of sentimental considerations? Besides, the October revolution immediately arouses unpleasant memories of the Béla Kun dictatorship.

Be that as it may, the incubator revolution has the great merit of having carried out, without mercy and without hesitation, the fundamental idea of the new democratic Hungary — the division of all the landed estates among the landless peasantry. Of course, many experiments since the dissolution of the Hapsburg Monarchy have shown that a purely mechanical distribution of land does not lead automatically to a new and higher standard of popular existence. Only recently Hugh Seton-Watson (son of the noted historian) and a study group of experts concluded that the agrarian reforms in eastern Europe did very little for the rural population.[1] Nevertheless, it remains true that the expropriation of the feudal estates was the necessary first step for opening the gates for the flood of popular energies. If it is used wisely and undogmatically, the Russian conquest may bring about a real economic and moral transformation in Hungary.

IV

In the light of these facts and considerations, there is nothing mysterious about the results of the last elections in Hungary, which have been hotly debated and so differently interpreted. The total number of votes cast was 4,717,256. Of these, the Small

[1] *Cf.* Hugh Seton-Watson, "Eastern Europe Between the Wars." New York: Macmillan, 1945. Also Political and Economic Planning, "Economic Development of Southeastern Europe." Oxford University Press, 1945.

[See category 116, pp. 457-460 -- Analyst]

7: Jazzi S-4, 5 (no date) 1946 EC1 Hungary EC1

Landholders Party received 2,688,101, the Social Democratic Party 821,566, the Communist Party 800,257, the National Peasant Party 322,988, the Citizens Democratic Party 78,522 and the Radical Party 5,762. The National Assembly comprises 409 members: the Small Landholders have 245, the Communists 70, the Social Democrats 69, the National Peasants 23, the Democrats 2. These returns reflect the present political forces in the country surprisingly accurately.

Of course, one often hears the assertion that the overwhelming victory of the Small Landholders Party was a result of the vote of feudal and capitalist reactionaries who had been dispossessed by the revolution and prohibited from building up a new party. Another explanation given is that the great strength of the Small Landholders Party was that it offered a chance to register a protest vote against the Russian occupation, which is, indeed, an enormous burden, especially for the rural population. However, both explanations are oversimplified. There surely was a considerable counter-revolutionary vote in the "conservative victory," and it cannot be denied that the long Russian occupation is both economically and morally unwelcome. The ghastly situation inside the country could hardly fail to make the latter so in any case. A plea for UNRRA help for Hungary states, for example, that there are 200,000 orphans to be cared for; that 400,000 children are suffering from rickets; that 17,000 of the children suffering from tuberculosis are without hospitalization or convalescent care, without medical supplies, proper nourishment, clothes or bedding; that there is not adequate food for nursing mothers, and no food or clothing for newborn babies; that surgeons are operating without anesthetics; that thousands of persons are dying as a result of the lack of insulin, penicillin, digitalis, sulfa drugs and other medicines; that there are no surgical dressings, iodine, X-ray films, or plaster of Paris; and that there were no warm clothes for the winter, not enough fuel and no supplies to repair the damaged homes. These terrible conditions are reflected in a continuous rise in crime.

Terrible as is this economic and hygienic situation, however, it is only a contributory influence in the political situation. The real cause of the success of the Small Landholders Party is that none of the Marxist parties could offer a real program to the peasants, the small bourgeoisie or considerable numbers of the intelligentsia — in short, to a majority of the country. The rigid

7: Jaszi S-4.5 (no date) 1946 EC1 Hungary EC1

669 class doctrine of the Marxist parties is alien to the traditional
666 mentality and widespread religious feeling of the masses. In the election campaign, the Communists said not a word about the issue of private property versus Communism, and made no mention of the collectivization of land. Yet the issue was the village and small-town way of life versus vast bureaucratic organizations. Marxist Socialism's total disregard and misunderstanding of the values of rural life made it, in all its forms, inacceptable to the greater half of the population.

Furthermore, it should not be forgotten that the Small Landholders Party is not reactionary, nor even conservative; it is a progressive party in favor of social and cultural reforms. It was the strongest in the country after the advent of Horthy, and though it was demoralized during the Bethlen period, and later became infected with adventurers, it has always remained healthy at the core. In coöperation with the "village researchers," it may perform great deeds in the future.

669 The elections in Hungary carry a great lesson for the progressives of all parties in all countries. It is often said that people who have once lived under an oligarchic rule or later under a Fascist dictatorship are not ripe for democracy — that after centuries of servitude they are unable to make proper use of the vote. This statement too is a half-truth, and such truth as is in it does not point primarily against the masses but against the corrupted middle and upper classes. The Hungarian people at their first fully free elections proved that their natural intelligence and sense of decency shows them the right political path. If they are not terrorized or cowed — in short, if political freedom lasts — and if they are granted the elementary material conditions of civilized life, which for them implies the growth of new forms of economic and cultural coöperation, I see no reason why they should not march resolutely toward the higher forms of western and Nordic peasant culture.

V

000 Can the equilibrium created by the recent elections be maintained? Hungary is in the Russian orbit. The military and economic ties binding her to Russia are tight (for example, the issue of banknotes recently became a privilege of the army of occupation). Will it be possible for her to establish a degree of independence — that is to say, freedom of political life, cultural

II. GENERAL SOCIAL POLICY.

Problems of the Civil Service.

The most pressing problem to be met during the critical situation brought about by the Treaty of Trianon was that dealing with the distressing plight of the educated classes. Countless obstacles hindered the employment of educated youths. Since the country had to be reorganized after the first world war and the ensuing communist revolution, the problems of the civil servants occupied a prominent position and had to be dealt with regardless of the almost insurmountable difficulties.

Since 1918 the salaries of the civil servants have been raised several times when compatible with the national budget. Social considerations played a prominent part in this respect in so far as the ratio of increases in the lower brackets was higher than in the upper ones. Again, when conditions necessitated salary cuts, those in the lower brackets were given similar proportionate consideration. It is worthy of note that the interests of family protection were always given foremost consideration, and the adjustment of family allowances was always on a progressive basis.

This policy has the following result; while a civil servant in the fifth grade receives not quite 70% of his 1918 salary, those in the eleventh grade receive 110%, and some messengers 140%. The family allowance of a civil servant in the eleventh grade was 10% of his salary for his wife and each child. Now he receives allowances on the following scale: 30% of his salary for his wife, 30% for his first child, 30% for his second, 35% for his third, 42% for his fourth, and 50% for his fifth child.

20: Gyorgy S-4 (no date)1947 ECl Hungary ECl

642 broadminded government the varied and checkered cycle of Hungarian constitutional development seemed to have entered a new phase. In the brief span of twenty-eight years this country has passively witnessed five basically different phases of political evolution; from monarchy to republic (1918-1919), from a liberal republican form to violent Communism (1919), then to varying forms of personal dictatorship (1920-1944), and finally a sudden return to at least a temporarily republican type of government (1944-1946). The interregnum between the two rather tentative and superficial experiments in republicanism and democracy brought nothing to Hungary but military defeats, political immorality and a thoroughly bankrupt economy.

The exercise of royal power actually ceased on November 13, 1918 when King Charles IV of the Hapsburg dynasty resigned. In the ensuing constitutional and political vacuum a republican regime was formed under the leadership of Count Michael Karolyi, a well-known Hungarian liberal. This short lived republican government voluntarily •669 yielded within a few months to a ruthless and extreme Communist dictatorship under Moscow-trained Béla Kun.

After the collapse of this disastrous revolution[3] Nicholas Horthy, a former admiral of the Austro-Hungarian navy, succeeded in establishing a reactionary and semi-parliamentarian system of government. Although Horthy's regime excelled at the beginning in the misuse of constitutional formalities, certain attempts at internal political normalization were accomplished under the ten year tenure of Prime Minister Count Stephen Bethlen. On the other hand Bethlen's immediate successors, particularly General Julius Gömbös, inescapably brought about a regression to Hungary's antiquated, pre-World War I system of political and social feudalism. Reaping the full harvest of Hungary's re- 642 648 visionist aspirations, these regimes also helped to pave the way toward a thorough-going German orientation of the country, toward an uninhibited economic and political cooperation with National Socialist Germany, and a close military alliance with other members of the European Axis. The reactionary, Axis-allied regency of Horthy collapsed in the autumn of 1944 when following his sudden request of an armistice with the Red Army, the admiral reigned and was forced by the Gestapo to leave the country.

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3 According to Oscar Jászi's brilliant description, Béla Kun's "Communistic revolution followed a pure Russian world-revolutionary model, with chaotic experiments in socialization, dreams of the *sovkhozes*, and occasional hysterical outbursts of terrorism. It was short-lived, but it made a deep impression on Hungary's conservative soul." "The Choices in Hungary," *Foreign Affairs*, April, 1946, p. 456.

20: Gyorgy S-4 (no date)1947 EC1 Hungary EC1

728 Reparations today include nearly all of the country's capital goods
648 production, and through the device of "joint economic collaboration" agreements Soviet control has penetrated all major phases of the economic structure. Particularly farreaching are the agreements in oil and bauxite production, in Danube shipping and in civil aviation. Capital and management are as tightly controlled as if these economic activities had been actually nationalized by the government.[45] Soviet occupational authorities also acquired majority holdings in banks, insurance companies, mining corporations and in most of the remaining non-socialized factories.

Summary

927 Hungary today is in the twilight zone of liberated states; her domestic politics are a mirror-like reflection of the fundamental tensions among the world powers. The post-war era has undoubtedly seen hopes for a real moral and economic transformation of the country spurred on by a series of significant, if temporary, liberal reform moves. Fair national elections resulting in a decisive Communist defeat and in an acceptable coalition government based on the Smallholders, a national party neither ultra-conservative nor revoluntionary,[46] a thorough land reform, a reasonably free press, a stabilized currency, and a moderately successful process of industrial nationalization were promising landmarks at the beginning of the road toward reconstruction.

927 Yet the forces responsible for these significant results were *swiftly*
669 *destroyed by the rising influence of the Communist Party which brought internal disruption and social crisis.* The triumphs of liberation were obscured by an oppressive and prolonged military occupation, and the coalition government gave way to Communist domination which reduced all other parties to silent and non-active partners. The land reform generated conflicts between Church and State as well as between the ex-gentry whose estates were expropriated and new peasant-landholders who now had property but no equipment. The newly won freedom of the press gradually disappeared as the political balance of power shifted and one party emerged as the final arbiter. The swift

45 Elaborate executive decrees were issued to give adequate legal basis to these joint agreements and to earmark the use of most industrial production for reparations. The first four decrees were issued in July, 1946 and consist of the statutes of the Hungarian-Soviet Shipping Company, the Masovol Hungarian-Soviet Crude Oil Company, the Hungarian-Soviet Bauxite-Aluminum Company and the Danubian Alumina Industry.

46 There was a considerable counter-revolutionary vote in the conservative victory of November, 1945, observes Oscar Jászi, but "it should not be forgotten that the Smallholders Party is not reactionary, nor even conservative, it is a progressive party in favor of social and cultural reforms." "The Choices in Hungary," *Foreign Affairs*, April, 1946, p. 462.

20: Gyorgy S-4 (no date)1947 ECl Hungary ECl

nationalization of major industries led to similar social conflicts, resulting in the elimination of a former managerial class and in a tight system of production discipline.

Soviet propaganda also contributed its share to the tenseness of the political atmosphere. The Russians effectively destroyed a great deal of the original good will which the workers, peasants and intelligentsia felt for them after liberation. Today the Russians still consider themselves the "generous liberators" and are unable to understand the Hungarian people's ingratitude. After an initial period of incubation these tensions suddenly exploded in the dramatic *putsch* incident. The discovery of this reactionary plot, the widespread arrests of prominent Smallholders, the final undermining of the coalition government's authority and the call for new and unilaterally supervised national elections, all appear to be closely integrated, successive stages in a drive toward the establishment of a one-party dictatorship. In the dogmatic phraseology of a Communist editor, "The Soviet Union supports and effectively aids Danubian peoples in *settling for them their disputed problems in a friendly spirit.*"[47] These settlements seem to be of a final and decisive nature; arithmetical illusions such as popular elections, normal partisan politics and the coalition-spirit do not play any role in this governmental theory.

In foreign relations the recent *putsch* helped to clarify the Hungarian picture. The country's foreign political position is determined by her peripheral location in eastern-central Europe. The United States and Great Britain are forced to admit that in this area the Soviet Union has certain minimal claims to *economic* and *strategic* security. National planning, industrial recovery and financial stabilization are strongly encouraged in order to meet the enormous reparations and bolster up the impressive one-way movement of goods to the U.S.S.R. Following a broad interpretation of security, the Soviet has also compelled these neighbor countries to accept its choice of governmental personnel and methods of national administration. Thus the entire field of domestic affairs is subordinated to the dictates of foreign interests. Hungary has travelled a long and politically arduous road in the last two years; past the brief illusions of a renascent post-war democracy she is now apparently headed toward the more permanent status of a political and economic satellite nation.

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47 Cf. Béla Fogarasi, "A dunai népek együttmükódése," *Társadalmi Szemle* (*Social Survey*), May, 1946, p. 354. (Italics mine.)